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managed by Brookhaven Science Associates
for the U.S. Department of Energy

Memo

date: September 26, 2005

to: All Employees

from: Denise J. DiMeglio

subject: **Modification to Eligibility for Coverage of Dependents in Health Care Plans**

The Working Families Tax Relief Act of 2004 changed the definition of a dependent under Section 152 of the Internal Revenue Code. The changes that took effect are causing employers like BNL to review coverage under medical and dental plans, as well as under health care flexible spending accounts for the upcoming open enrollment period. Based on that review, and in response to the new IRS guidance, the age limit for dependent children covered by the BNL medical and dental plans will change effective January 1, 2006. For all of our plans, the dependent age limit for full-time students will now be the end of the year of the dependent's 23rd birthday. The age limit for dependent children covered by the BNL medical and dental plans will change as follows, effective January 1, 2006.

Plan	Dependent Age Limit (eligibility if full-time student status is not met)	Dependent Age Limit (eligibility if full-time student status is met)
Aetna medical	End of month of 19 th birthday	End of year of 23 rd birthday
CIGNA medical & dental	19 th birthday	End of year of 23 rd birthday
EBS dental	19 th birthday	End of year of 23 rd birthday
HIP medical	End of month of 19 th birthday	End of year of 23 rd birthday
Vytra medical	19 th birthday	End of year of 23 rd birthday

In addition to the age limit, the following criteria must be met:

- The dependent child must be the taxpayer's child, including adopted child or stepchild.
- The dependent child must be unmarried.
- The dependent child must have the same principal residence as the taxpayer for more than one-half of the tax year. Children who are away at school will not be excluded by this criterion as long as when they're not at school, they are living with you. Children of parents who are divorced will not be excluded as long as they are living with one of the parents for at least one-half of the tax year. Please note that stepchildren must reside with you to be eligible.
- The dependent child must not provide more than one-half of his or her own support.
- For a dependent child who is age 19 or over to be eligible for coverage, he or she must attend an accredited college or university on a full-time basis and also meet the criteria indicated above.

(over)

For unmarried children who are mentally or physically incapable of earning their own living, coverage can be continued beyond age 19 if, within 31 days after they have reached age 19, proof of the child's incapacity is submitted to the Benefits Office. Coverage may be continued for dependent children who are over age 19 who become mentally or physically incapable of earning their own living while covered as an eligible dependent, by submitting proof of the child's incapacity to the Benefits Office within 31 days after they become incapacitated.

If, based on the above, your child will no longer be eligible for medical or dental coverage as of January 1, 2006, you must remove the child from your coverage during the Open Enrollment period. This year's Open Enrollment period will be held from October 17 through November 10, 2005. Changes to coverage can be made through the Benefits Office, Bldg. 185, at that time. Children who are removed from their medical and/or dental coverage due to the changes indicated above will be offered a continuation of such benefits through COBRA.

For the purpose of the health care spending account, eligible dependent children include unmarried children through the end of the calendar year in which they attain age 18, unmarried children who are full-time students at an accredited college or university and who have not yet reached the end of the calendar year in which they attain age 23, and unmarried children who are mentally or physically incapable of earning their own living.

If you have any additional questions, please contact the Benefits Office at Ext. 2877 or Ext. 5126.